

ADMINISTRATIVE POLICY #15
BUSINESS SUBSIDY CRITERIA

I. Purpose

This document includes the criteria to be considered by the City of Kenyon ("City") to evaluate requests for business subsidies. It is the intent of the City in adopting these criteria to comply with Minnesota Statutes, Sections 16J.993-16J.995 (the "Act"). The City hereby adopts the definitions contained in the Act for application in the criteria.

II. Goals and Objectives

It is the City's intent to advance the following goals and objectives in granting business subsidies:

- a. All projects must be consistent with Kenyon's comprehensive plan and any other similar plan or guide for development of the community.
- b. Business subsidies must be justified by evidence that the project cannot proceed without the benefit of the subsidy. If tax increment financing is used to grant a subsidy, the grantee must demonstrate compliance with all statutory requirements of the TIF Act, including the "but for" test. The grantee will be required to provide all documentation necessary for the City to make the requisite findings under the TIF Act and the Act.
- c. Grantees will be required to enter into an agreement with the City that is consistent with statutory requirements, including a commitment to remain in business at the site for a minimum of five years after the benefit date, unless the City approves a request by the Grantor to move after holding a public hearing on the matter. In addition, the Grantor must comply with the specific jobs and wages

goals established for the project. All projects submitted to meet the goals established for the project must pay at least the minimum

Business Subsidy Criteria

The City recognizes every opportunity. Notwithstanding the criteria shall be deemed to be met if the project establishes a contractual obligation to the City. The City reserves the right to re-evaluate the criteria from time to time and to evaluate the project as a whole. The following criteria are utilized to determine the economic feasibility of a project:

1. Increase in tax revenue. When an increase in the base cannot be the ground for granting a subsidy, the City shall consider the following:

a. Wages. Is the cost of labor less than the maximum rate the maximum number of available wage jobs at the site. This may include jobs being created by the project.

b. Economic Development Projects shall promote the economic development of the community by establishing a critical mass of commercial development that can

attract and retain goods and services, including the good and services that encourage fast growing business. Redevelopment objectives and evaluation, including pollution control

c. Redevelopment. Adapting existing buildings for commercial architectural design.

6. Additional or spin-off development within the community;
 - 7 Full utilization of existing or planned infrastructure improvements.
- d. Any deviation from these criteria will require a written explanation, a copy of which will be submitted to the Commissioner of the Minnesota Department of Trade and Economic Development.

IV. Compliance and Reporting Requirements.

- a. Any subsidy granted by the City will be subject to the requirement of a public hearing, if necessary, and must be approved by the Kenyon city council.
- b. It will be necessary for both the grantee and the City to comply with the reporting and monitoring requirements of the Act.

Adopted by the City Council: January 9, 2001

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